

at the very time when so much is at stake we hear many kinds of radical innovations suggested. If they are enacted into laws the financial fabric will be still further weakened.

It was the duty of the state banking department to keep thoroughly informed at all times regarding the condition of the banks. If the commissioner pleads that he was fully informed the public will have a right to ask why it was that for two years conditions were permitted to exist which made it necessary, as a last resort, to place one bank after another in the hands of a receiver. Why was it that unsafe banking was permitted? Why were not measures adopted which would have prevented the steady deterioration of the banks through a long period. In the end the state authorities discovered no better method than to close the banks peremptorily.

The banking commissioner may feel satisfied with this heroic treatment, but the depositors and the public in general will not be. On the contrary they will complain loudly that there has been neglect and incompetence.

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#### WILL WIN SYMPATHY.

OFFICIALS of the Salt Lake Security and Trust company, which has been placed in the hands of a receiver, entertain high hopes that in the long run the liquidation will result in the payment of a hundred cents on the dollar. At the head of the institution were some of the most reputable of our citizens, among them Dr. E. D. Woodruff, the president; Judge Baskin and Arthur C. Sullivan, the cashier.

Responsibility, of course, rests with the officials of the bank, and yet the causes which resulted in the receivership can readily be appreciated.

The company's business was built up in the days of inflated real estate values in Salt Lake City. The original loans and mortgages were based on these values. It might have been possible to conduct the company's business successfully had not war conditions supervened. The war's effect upon real estate here is understood by all. No line of business suffered more. Building practically stopped and demand for property sank to the lowest ebb. In fact it was part of the governmental policy to oppose all unnecessary construction and even construction which, in ordinary times, would have been considered necessary. The energies of the nation were turned to war work and the real estate business was side-tracked.

In the circumstances the Salt Lake Security and Trust, whose business had been founded on real estate investments, became one of the victims of the war.

Dr. Woodruff is one of the city's most substantial business men and has long been held in the highest esteem by his fellow citizens. Arthur Sullivan is one of the younger business men. He has made his way entirely by his own energy and ability and has won universal respect.

While the officials must take the responsibility for the company's failure there is no hint of criminal acts and the friends of these reputable men will not withhold their sympathy and will cherish the hope that the company will be so liquidated that the assets, which, on their face, are more than adequate, will turn out in reality to be fully sufficient to pay all claims in full.

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#### WHY THE HUN FLEET QUIT.

THROUGHOUT the war the British navy chiefs believed that some day the Hun fleet would "come out." For years the Huns had quaffed toasts to "Der Tag," the day on which they should meet and conquer the dreadnoughts of Great Britain. And the British gave their enemies credit for a genuine desire to fight this last great battle for dominion of the seven seas.

Why did the Germans abandon their long-cherished plan? Was it the battle of Jutland that convinced them of their impotence? True, they were driven back to port after that battle and the British retained command of the sea, but the British lost the greater number of ships and, on the whole, the achievement of the Germans was creditable. They outdid the British in strategy and handled their ships more effectively in the actual battle tactics.

But the battle of Jutland was not "Der Tag." It was not decisive, and the British were sure that the enemy would some day come out again to battle to a finish. But that day never came.

What happened to the German navy?

To the very end the crews of the U-boats were loyal; but aboard the battleships and cruisers there was rampant disloyalty. The explanation, perhaps, is not far to seek.

The German admiralty could not afford to take any chances with the crews it put aboard the submarines and consequently only men of tested and inflexible loyalty to the kaiser were selected to carry on the undersea warfare. They were recruited from other branches of the navy and as they were killed or captured other loyal kaiserites took their places. The men of doubtful fealty were left aboard the major ships. In time the proportion of the disloyal to the loyal made it possible for radicals to stir revolts in the navy. When "Der Tag" arrived and the officers ordered the high seas fleet to go out and fight the men laughed at them and seized the ships.

If there was any disloyalty aboard the U-boats it was of no great importance. Once in a while a U-boat ran aground on the coast of Holland and the crew surrendered. Toward the last the crews of a few submarines put to sea without orders and were rounded up and taken back to Germany. But, practically speaking, the U-boat crews were faithful to the end. They performed their atrocious work relentlessly because every man had been specially selected after long observation by the kaiser's spies. But that which served to make German submarine warfare effective destroyed the morale of the men aboard the major ships.

And "Der Tag" never came.

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#### DOLLAR DIPLOMACY ON SHIPS.

CAPTAIN ROBERT DOLLAR, head of the Dollar Steamship Lines, offers an interesting suggestion relative to restoring the shipping business to private control, namely, that instead of government ownership, the ships should be sold at prices to meet competition and on reasonable terms of payment, to encourage the ownership of vessels by men of moderate means. "The government ships," says he, "should be sold at the current price of similar ships prevailing in London, one-quarter cash, one-quarter in one, two and three years, with interest at 4 per cent, and when the various payments fall due the amount to be paid shall be the price prevailing then in London, thereby putting our ship owners on an exact equality with our foreign competitors as to the first cost of the ship. In other words, keeping the cost of the ships so bought equal to foreign ships while the owner is paying for them. The difference in cost to the government and the amount sold for to be charged up to the cost of the war, the same as ammunition, etc." Captain Dollar suggests the London basis of price doubtless because the English cost of ship construction, next to our own, is the highest among maritime nations, and because England will certainly be our greatest competitor in freight-carrying in the years to come.

Dollar gives some interesting figures on the wages of crews, taken from his books on three steamers which he was operating in 1914, their indicated horsepower and tonnage being the same. The American steamer, with a complement of forty-seven men showed \$3,720 paid out in wages a month, the British steamer, thirty-six men, showed monthly wages of \$1,308, and the Japanese steamer, thirty-six men, showed \$777, or a little more than one-fifth the wage cost of the American boat. This is one of the things we are going to run up against when freight carrying competition sets in earnest. As a solution of this difficulty Dollar suggests that ship owners hire their crews at full American wages, but that the difference between this wage and what is paid by Japanese competitors be paid by the government to ship owners on proper certification by the shipping commissioner of the amounts so paid, thus enabling American labor to receive its full wage and permitting the American ship to compete with the ship operated by the lower paid crew. This would not be a subsidy, but a wage equalization.

In short, Captain Dollar's method is closely analogous to the idea governing the protective tariff policy, which aims to balance the